# 2013 Property Tax Reform & other Topics

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**Iowa Department of REVENUE**

# 2013 Property Reform & Other Topics

- **Business Property Tax Credit**
  - BPTC Process, File Preparation
  - Testing & File Upload
  - Maintenance of credits
  - Rules

- **Multi-residential classification**
  - Rules
  - Protests of value
  - Equalization process

- **Ag Adjustments**
  - CSR2
  - Iowa Access Funding

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# BPTC File Preparation Steps

- **File Extract from Auditors File**
  - Base File
  - **Step 1** – sort by owner name
  - **Step 2** – hide columns don't need
    - 2_2
  - **Step 3** – add application date column & aggregation indicator column
  - **Step 4** – query CAMA for primarily used for human habitation as much as possible
  - **Step 5** – sort CAMA query identify apartments and others that do not qualify
  - **Step 6** – remove aggregation indicators in your spreadsheet for those that do not qualify    NULL field in your spreadsheet

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# BPTC File Preparation Steps

- **File Extract from Auditors File**

  - **Step 7** – Identify what is not a unit

    - Example different classification

    - Example of name ownership research

    - Example of not contiguous

    - Example of railroad parcels classed industrial

    - Example of railroad parcels classed as operating railroad

  - **Step 8** – Date applications are received

  - **Step 9** – Transferring information to BPTC file for upload

  - **Step 10** – File Upload

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## Welcome s chambers

This site allows you to exchange data with the Iowa Department of Revenue.

### Upload a Unit ID Generator File

The Unit ID generator file is a CSV file with 6 columns and is used to generate Business Property Tax Credit Application Unit Numbers. To upload a file, click the Upload Unit Number Generator File button below.

- Files must be in CSV or ZIP format.

| 🗋 | **Upload Unit Number Generator File** |
| --- | --- |
| ? | **Review Instructions** |

### File Status

Recent file activity is shown below.

- 🔴 **11/8/2013** 06_UnitFile_006.csv (0B)

- 🔴 **11/8/2013** 06_UnitFile_005.csv (0B)

- 🔴 **11/8/2013** 06_UnitFile_003.csv (12KB)

| 📂 | **View All Files** |
| --- | --- |

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## Upload A Business Property Tax Credit Application Unit Number Generator File

The The Business Property Tax Credit Application Unit Number Generator file is used to assign a Business Property Tax Credit Unit Number for each record sent. After uploading a file it will be processed and a notification will be sent when it is ready for pickup or review.

**To upload a Business Property Tax Credit Application Unit Number Generator file, click "Select Files" below.**

🗋 **Select Files**   ? **Unit Number Generator Instructions**   ? **Upload Help**

### Upload Tips ❓

- Maximum upload size is 500MB

- File must be either CSV or ZIP

- File name should be 40 characters or less and contain your county number.

- File name should contain the word generator.

html4 runtime

## Upload A Business Property Tax Credit Application Unit Number Generator File

The The Business Property Tax Credit Application Unit Number Generator file is used to assign a Business Property Tax Credit Unit Number for each record sent. After uploading a file it will be processed and a notification will be sent when it is ready for pickup or review.

You have selected the file 06_UnitFile_Base.csv (N/A)  📎

**Great! Now that you've selected a file, click "Upload Selected Files" to upload it.**

| ◻ Select Files | ↩ Upload Selected Files | ? Unit Number Generator Instructions | ? Upload Help |

### Upload Tips

- Maximum upload size is 500MB

- File must be either CSV or ZIP

- File name should be 40 characters or less and contain your county number.

- File name should contain the word generator.

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## File Processing is Complete

Your file has been processed and unit numbers have been assigned. You may download or view the file by clicking the button below.

**▦  Download Business Property Tax Generated Credit Unit Numbers**

### Status ✓

- ✔ Uploaded
- ✔ File Validation
- ✔ Imported
- ✔ Data Validation
- ✔ Accepted
- ✔ Unit Number Assignment
- ✔ Finished

### File Validation ✓

File validation determines if your file is the correct size, type, and format. Files that do not meet the requirements are rejected.

### Passed

**Your file has passed validation and has been imported for further processing.**

- ✔ Correct Size
- ✔ Correct Type
- ✔ Passed Validation

### Content Validation ✓

Content validation determines if your file contains valid data, or if it needs to be reviewed before processing can complete.

### File Passed

Your file has been validated and will be assigned unit numbers 2 business days after the validation date. If you need to delete this file and start over you can until the unit numbers are assigned.

## File Processing is Complete but data issues were found.

Your file has been processed, but data issues were found. Press the "Review Data" button below to see what validation issues were discovered.

### Status

✔ Uploaded

✔ File Validation

✔ Imported

✘ Data Review Required

● Accepted

● Unit Number Assignment

● Finished

### File Validation

File validation determines if your file is the correct size, type, and format. Files that do not meet the requirements are rejected.

### Passed

**Your file has passed validation and has been imported for further processing.**

✔ Correct Size

✔ Correct Type

✔ Passed Validation

### Content Validation

Content validation determines if your file contains valid data, or if it needs to be reviewed before processing can complete.

### Needs Review

**There were a few items in your file that need review. Click on the button below to verify your data.**

To see what data needs reviewed, click the Review Data button shown below.

**Review Data**

## 06_UnitFile_001.csv

Uploaded: 11/8/2013 9:30:15 AM  🏷 **Data Review**

### ISSUE: Duplicate Unique Parcel Identifier  ❗

Please take an appropriate action for each row below which have the issue mentioned above or take action for all rows at once.

| | | |
|---|---|---|
| Apply action to all rows: | **Ignore This Row** | **Retire Existing Row** |

| Row Number | Original Value | Action | | |
|---|---|---|---|---|
| 2 | 0600 000001 | | Ignore | Retire |
| 3 | 0600 000002 | | Ignore | Retire |
| 4 | 0600 000003 | | Ignore | Retire |
| | | | | **Update Selected Rows** |

# Testing Timeframe

- All the preliminary work needs to be completed
- Test with as much real data as possible
  - Unique parcel ID #
  - Aggregation Indicators
- Timing
  - Week of November 18th 24 testers
  - Week of December 2nd all 99 counties coordinated by district
  - All test data cleared December 16th
- Live BPTC Unit Generator ID website

Life is not about how fast you run, or how high you climb, but how well you bounce.

# Grant me patience, but please hurry.

# 426C Business Property Tax Credit

**Who can apply and when?**

- 2013 Assessment 1$^{st}$ year

  - January 15, 2014 applications due

  - Initial application a **_Person_** may apply

- **_Re-application_**

  - Requires buyer or seller to reapply if a portion of the property comprising a unit was retained

- March 15$^{th}$ deadline after the first year, applications apply to prior year assessment

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# 426C Business Property Tax Credit

**Who can apply and when?**

- Sale prior to deadline requires reapplication

- Sale after deadline, application remains in effect for that fiscal year and reapplication applies to next fiscal year

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# 426C.1 & 426C.4 Business Property Tax Credit

## Who Qualifies for the credit?

- Property classed as commercial, industrial or railroad (434)

  - Vacant land, buildings on leased land,

- *Excludes:*

  - *Section 42 housing*

  - *Mobile home parks*

  - *Manufactured home communities*

  - *Land-leased community*

  - *Assisted living facilities*

  - *Anything Defined in new 441.21, Subsection 13: property **primarily** used or intended for human habitation containing three or more separate dwelling units.*

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# 426C.1 & 426C.4 Business Property Tax Credit

**Who Qualifies for the credit?**

- Property classed as commercial, industrial or railroad (434)
  - Vacant land, buildings on leased land,
- *Excludes:*
  - *Section 42 housing*
  - *Mobile home parks*
  - *Manufactured home communities*
  - *Land-leased community*
  - *Assisted living facilities*
  - *Anything Defined in new 441.21, Subsection 13: property **primarily** used or intended for human habitation containing three or more separate dwelling units.*
  - *All centrally assessed property (except railroad)*

# 426C.1 & 426C.4 Business Property Tax Credit

## What is a Unit?

- Within the same county

- Same classification

- Same ownership

- Separate item on tax list

- Operated by that "person" for common use and purpose

- Contiguous parcels:
  - share common boundary
  - within same building or structure, regardless of boundary
  - BLL's are contiguous as long as the land upon which they sit is contiguous regardless of the land ownership

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# 426C.1 & 426C.4 Business Property Tax Credit

- What is a "Person"?

- Iowa Code 4.1
  - Individual
  - Corporation
  - Limited liability company
  - Government
  - Governmental subdivision or agency
  - Business trust
  - Estate
  - Trust
  - Partnership or association
  - Or any other legal entity

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# 426C.1 & 426C.4 Business Property Tax Credit

What is Common Use and Purpose?

- "Operated by that person for a common use and purpose"

- Owner occupied

- Leased

# 441.21 Subdivision 13
# Multi-Residential Classification

**Beginning 2015 Assessment:**

- Includes:
  - mobile home parks
  - manufactured home communities
  - land-leased communities
  - assisted living facilities
  - property primarily used or intended for human habitation containing three or more separate dwelling units
- Portions of properties less than three units used or intended to be used for human habitation (and a portion of the land) regardless of the number of units and that is not otherwise classed residential

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# 441.21 Subdivision 13 Multi-Residential Classification

**Beginning 2015 Assessment New Class**

- Excludes:
  - Section 42 housing
  - Hotels
  - Motels
  - Inns
  - Other buildings where rooms or dwelling units are typically rented for less than one month

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# 441.21 Subsection 13 Multi-Residential

- Classification is based on use
  - Vacant land used in conjunction with another parcel or property should be classed the same
  - That portion of a parcel with one or two dwelling units used for human habitation if on the same parcel with commercial/industrial valuation is classed as multi-residential
  - Multi-residential is to be **_used or intended_** to be used for human habitation if there is also commercial or industrial use
  - Dwelling units:
    - Apartment
    - Group of rooms
    - Single room
    - Occupied as separate living quarters  or
    - if vacant, is intended for occupancy as  a separate living quarters
    - Where a tenant can live and sleep separately
    - Assumes functioning utilities (water, sewer, electricity and heat)

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# 441.21 Subsection 13 Multi-Residential

## How will this be handled?

- For 2015 Software will have to accommodate *two classes* on a single parcel
  - 441.21 Subsection 13*c*
  - Commercial and multi-residential on the same parcel
  - Industrial and multi-residential on the same parcel

- Rules
  - Protests of Value
  - Equalization process

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You were spotted dancing the other night... don't give up the day job.

# Agricultural Adjustments

- CSR2 discussion
  - NRCS soil survey
  - Web soil survey available January 2014

- 2014 Full Implementation
  - Use current soil survey or ISU CSR2 soil survey
- 2017 Implementation of CSR2 Official NRCS soil survey required

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# Agricultural Adjustments

- Iowa Access Funding

- Approval granted

  - Apply to IDR (application being developed)

  - Needs based

    - # of staff

    - # agricultural acres

    - Consolidated assessor levy rate

    - +/-$300,000 funded

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For those jurisdictions with staffing at a level of less than 4 Full Time Equivalents and greater than 10,000 Agricultural Acres per Full Time Equivalent or

Jurisdictions with greater than 3 Full Time Equivalents and are at their maximum statutory assessor levy rate of .675$ per one thousand dollars of assessed value.

| Assessor Levy Rate per $1,000 of Valuation | Amount of Assistance for generation of a Land Use Layer (Assumes maximum charge to county of $27,000) |
|---|---|
| >.675 | Maximum 50% cost share by State |
| .674 - .60 | 40% cost share by State |
| .59 - .50 | 30% cost share by State |
| .49 - .40 | 20% cost share by State |
| .39 - .30 | 10% cost share by State |
| <=.30 | No Assistance |

# 2013 Property Reform & Other Topics

- **Business Property Tax Credit**
  - Steps to take in preparing files for the credit qualification
  - How to finalize aggregation indicators
  - Screen shots of website for file upload
  - Rules November 19th for review
- **Multi-residential classification**
  - Review of what qualifies
  - Rules & Protests of value not completed yet
  - Equalization process not completed yet
- **Ag Adjustments**
  - CSR2 required for 2017
  - Iowa Access Funding +/-$300,000

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# Questions?

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